

DOCKET FILE COPY ORIGINAL

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

DOCKET FILE COPY ORIGINAL

In Re TOLL FREE ACCESS CODES

NPRM

FCC 95-419

CC 95-155

RECEIVED  
NOV 21 1995  
FCC MAIL ROOM

DOCKET FILE COPY ORIGINAL

GENERAL REPLY COMMENTS.

AND REPLY TO COMMENTS OF ~~555~~ FLOWERS, INC.

The undersigned hereby files Reply comments to the commenters in this proceeding, and in particular, ~~555~~ Flowers, Inc. <sup>1-800</sup>

These Reply comments address the general issue of "vanity" designation of certain telephone mnemonics by the Commission (codified or otherwise), which in effect give unprecedented vanity protection in practice to the underlying telephone number digits themselves, and may result in the practical unavailability of thousands of underlying numbers in almost all local exchanges (NXX's), in all area codes (NPA's).<sup>1</sup>

<sup>1</sup> The public policy regarding numbering resources has been stated by FCC to be:

- "1. Administration of the plan must seek to facilitate entry into the communications marketplace by making numbering resources available on an efficient, timely basis to communications services providers.
2. Administration of the NANP should not unduly favor or disadvantage any particular industry segment or group of consumers.
3. Administration of the NANP should not unduly favor one technology over another. The NANP should be largely technology neutral."

(For above: See In Re Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech-Illinois, 10 FCC Rcd 4596 (1995); FCC 95-19, Jan., 1995).

- "4. Administration of the NANP and the dialing plan should give consumers easy access to the public switched telephone network.
5. Administration of NANP should ensure that the interests of all NANP member countries are addressed fairly and efficiently, and foster continued integration of the NANP across NANP member countries.
6. United States numbering policy should be developed in a manner that fosters international numbering consistency and interoperability."

(Above Reaffirmed and supplemented in: In the Matter of Administration of the North American Numbering Plan, CC Docket No. 92-273, Release: CC Docket 92-273 (July 13, 1995)).

049

The U.S. Court of Appeals for the Third Circuit has addressed the issues involved in granting trademark protection to telephone numbers, pointing out the dangers of granting protection to common or ordinary words in phone number mnemonics, particularly where the word mnemonic is not protectable by itself (as opposed to an actual trade name, i.e. "AVIS", which is a trademark widely recognized). (Dranoff-Perlstein Associates vs. Sklar, 967 F.2d 852 (3rd Cir. 1992)).

**We believe that the Commission should not venture to grant "vanity" status to any telephone mnemonic or number which would not meet the tests of Dranoff-Perlstein Associates vs. Sklar.**

The Second Circuit had previously gone beyond the new constraints of Dranoff-Perlstein. (See: Dial-a-Mattress v. Page, 880 F.2d 675 (2nd Cir. 1989)). The Second Circuit's position has resulted in number use restrictions clearly not in the interest of Numbering Plan Administration policy expressed by the FCC. (See Footnote 1). For example, a District Court in Michigan, in misplaced reliance on the Second Circuit's position in Dial-A-Mattress, granted trademark protection to the word "CASH" wherever it could appear in any telephone number combination of NPA and/or NXX (i.e. (800) 760-CASH prevents the use of a local number 369-CASH), and thus practically all phone numbers ending in "2274" in *all area codes and exchanges* where the holder of (800) 760-2274 might *ever* want to market with any phone number ending in "CASH" (2274), would be effectively unencumbered, with or without an NPA. (Express Mortgage Brokers, Inc. vs. Simpson Mortgage, Inc., No. 94-71056 (D.C. ED MI 1994)).

The term "CASH" is not trademarkable in itself. Neither is the word "FLOWERS". They both are common words found in the dictionary, as nouns and an adjective. Since each word is specific to particular sequence of numeric digits on the telephone keypad (i.e. FLOWERS can only be the digits 3569377), then the digits 3569377 could spell "FLOYD77", "FLOW377", "FLOWERY", and so forth.<sup>2</sup>

**The Commission (FCC) should not make the mistake of administratively starting down the slippery slope of Express Mortgage Brokers, currently applicable only in the Eastern District of Michigan as to trademark law, by granting administrative "vanity" status to phone numbers which would not otherwise be trademarkable alone as an indicator of the actual specific source of an otherwise distinct product or service.**

---

<sup>2</sup> In addition, in light of the fact that words longer than 7 letters/numbers (i.e. 1-800-MATTRESSs, "...where the 's' is for savings") are used in phone numbers, the effect of granting special treatment to telephone numbers which equate to common words not trademarkable by themselves would be a chaotic speculative frenzy in number assignments and unnecessary related litigation over any combination of letters and digits found in any length of phone number, including NPA's and NXX's.

**The Broad Granting of Administrative "Vanity" Status to Telephone Numbers  
May Lead to Anti-competitive practices With Numbering Plan Assignments**

Unnecessary limitations on the scope of number uses by particular industry segments (i.e. SIC code businesses, and common carriers are just one such segment), and/or by consumer groups, are likely also to be anti-competitive in that they may restrict the ability of number assignees (including new dial tone providers competing with BOCs (i.e. co-carriers)) from entering into contracts for services necessary to maximize the traffic through and efficient use of assigned numbers and/or codes. (See: In the Matter of Bell Atlantic...Gateway, Order DA 88-1512 (Sept. 23, 1988); and In the Matter of BellSouth...Plan, Order DA-88-1947 (1988)).

This is particularly important where BOCs may control number or code assignments or their interconnections and/or translations in the originating network. (i.e.: 800/888 numbers where BOCs or IXC's are also the Responsible Organizations (RespOrgs), nationally assigned 950 and 555 exchange access numbers, and other competing co-carrier exchange interconnection arrangements).<sup>3</sup> The current RespOrg arrangement for 800 numbers, for example, has led to warehousing of numbers by RespOrgs who are also common carriers which then "market" the numbers to newly found transport and exchange customers. This inherent conflict has contributed to anti-competitive number resource depletions and the proposed vanity language may have the effect of driving number resources from new entrants who must depend on diversified traffic sources and ancillary contractual services and enhancements, into the "corals" of their larger competitors with in-house capabilities and established traffic sources.

---

<sup>3</sup> In the case of 555 numbers, regulation of intrastate and interstate traffic cannot be effectively separated, since very few numbers are assigned to an entity in only one State (most 555 numbers are National assignments, and most Non-National assignments are for more than one State, to a single entity.) Almost all 555 numbers are being designed for interstate and/or interlata communication to the assignee's national or regional service(s). Thus, 555 numbers are clearly an Access service. (47 CFR 69.3(b); Also see: PSC of Md. vs. FCC, 909 F.2d 1510, 1515 (D.C. Cir. 1990)).

<sup>3</sup> For example, the recent release of the 800-555-xxxx exchange on December 15, 1994, found one carrier/RespOrg grabbing almost 80% of the then available 10,000 or so numbers within the first hour after release. (See: Informal complaint of Ridex Corporation to FCC; Also see: pending formal petition of Southern New England Telephone (SNET) to FCC under 47 CFR 1.41 & 1.727 (Nov. 23, 1994)). The tendency to restrict access to number resources there is alleged, and the prior Issue #059 attempted proposed language here to restrict uses of numbering resources, even though the assignee retains control of all interconnections and translations, has the effect of limiting competitive service provisioning, especially by new entrants with critical market needs.

## **The Dranoff vs. Perlstein Standard**

### **(Case Exerpts):**

“Dranoff-Perlstein Associates and Harris J. Sklar both practice personal injury law in the Delaware Valley. In 1984, Dranoff-Perlstein began using "INJURY-1" as its telephone number, and embarked on an advertising campaign designed to capitalize on that mnemonic. The campaign included, among other things, sixty-second advertisements on several popular local radio stations; advertisements in the "yellow pages" of the telephone book; and postage meter tapes with a telephone and the number "I-N-J-U-R-Y-1" prominently featured.

In 1990, Sklar obtained the telephone number "INJURY-9," and began an advertising campaign designed to capitalize on his mnemonic. Sklar's campaign included radio spots, advertisements in the yellow pages, newsletters, and handbills, all of which prominently featured the INJURY-9 mnemonic.

On May 4, 1990, Sklar applied for registration of "INJURY-9" as a service mark on the principal register at the United States Patent and Trademark Office. On May 29, 1990, Dranoff-Perlstein applied for registration of "INJURY-1" as a service mark.

On July 31, 1990, Dranoff-Perlstein filed an action in the United States District Court for the Eastern District of Pennsylvania alleging that Sklar's use of "INJURY-9" constituted unfair competition and trademark infringement under the common law and @ 43(a) of the Lanham Act, 15 U.S.C. @ 1125(a) (1988), which governs unregistered trademarks. The Amended Complaint also included a pendent state law claim for trademark dilution under 54 Pa. Cons. Stat. Ann. @ 1124.

Section 43(a) of the Lanham Act "extends protection to unregistered trademarks on the principle that unlicensed use of a designation serving the function of a registered mark constitutes a false designation of origin and a false description or representation." J. Canfield Co. v. Honickman, 808 F.2d 291, 296 (3d Cir. 1986). However, a designation is only protectible "if the public recognizes it as identifying the claimant's 'goods or services and distinguishing them from those of others.'" Id. (quoting 1 J. Thomas McCarthy, Trademarks and Unfair Competition @ 15:1, at 657 (2d ed. 1984)).

Under the Lanham Act, service marks, which are used to identify the source of services, are entitled to the same legal protection as trademarks, which are used to identify the source of goods. 1 Jerome Gilson, Trademark Protection and Practice @ 1.02[1][b], at 1-11 (1991). Although technically distinct, the terms are often used interchangeably, with no significant legal consequences.

Trademark law recognizes four separate categories of marks, based on their levels of inherent distinctiveness. From most distinctive to least distinctive, these categories are: (1) arbitrary terms; (2) suggestive terms; (3) descriptive terms; and (4) generic terms.

One question presented by the case was whether a service mark that corresponds to the markholder's telephone number may acquire trademark protection. Most courts to consider the question have held that marks which correspond to telephone numbers may be protectible.<sup>4</sup>

The court footnoted:

*"This fact may be relevant, however, in that it limits the universe of possible alternative marks available to competitors. For example, Dranoff-Perlstein's use of 'INJURY-1' as its telephone number precludes competitors from using 'INJURY-123,' because the first seven digits, and hence the telephone numbers, are identical."*

The Court went further to state that: "To function as a trademark, a term must be . . . an indicator of source, sponsorship, approval or affiliation." Honickman, 808 F.2d at 305 (quoting S. Rep. No. 627, 98th Cong., 2d Sess. 2, reprinted in 1984 U.S.C.C.A.N. 5719). To the extent a mark that corresponds to a telephone number performs these functions, it may, if the other requirements of trademark law are met, be entitled to trademark protection. Dial-A-Mattress, 880 F.2d 675. As the United States Court of Appeals for the Second Circuit has noted, "Companies doing significant business through telephone orders frequently promote their telephone numbers as a key identification of the source of their products."

The use of telephone numbers as service marks appears to be a relatively recent phenomenon. As late as 1984, one court noted that it was unable to find any appellate cases on the question whether telephone numbers could constitute service marks. Cytanovich Reading Ctr. v. Reading Game, 162 Cal. App. 3d 107, 208 Cal. Rptr. 412, 225 U.S.P.Q. (BNA) 588 (1984).

Relying in part on Dial-A-Mattress, the court in Murrin v. Midco Communications, Inc., 726 F. Supp. 1195 (D. Minn. 1989), enjoined defendant from using the telephone number 800-529-9377 ("800-LAW-YERS") in a manner that would infringe plaintiff's service mark in the phrase "Dial LAWYERS." Specifically, the court enjoined defendant from "advertising or in any way using the telephone number (800) 529-9377 . . . in conjunction with the word 'dial,'" and from "advertising or in any way using the

<sup>4</sup> See, e.g., Dial-A-Mattress Franchise Corp. v. Page, 880 F.2d 675 (2d Cir. 1989); Murrin v. Midco Communications, Inc., 726 F. Supp. 1195 (D. Minn. 1989); American Airlines, Inc. v. A 1-800-A-M-E-R-I-C-A-N Corp., 622 F. Supp. 673 (N.D. Ill. 1985); Chicago World's Fair - 1992 Corp. v. 1992 Chicago Worlds' Fair Comm'n, No. 83-C-3424, slip op. (N.D. Ill. Aug. 16, 1983). See also 3 Rudolf Callman, The Law of Unfair Competition, Trademarks and Monopolies @ 18.23, at 209 (Supp. Nov. 1991) ("Telephone numbers may be protected as trademarks."). But see Cytanovich Reading Ctr. v. Reading Game, 162 Cal. App. 3d 107, 208 Cal. Rptr. 412, 225 U.S.P.Q. (BNA) 588 (1984).

telephone number (800) 529-9377 . . . with any symbols resembling dots or hyphens between the letters of the word 'LAWYERS' when that word is used to indicate a telephone number." (726 F. Supp. at 1201).

The Second Circuit's decision in *Dial-A-Mattress* appears to hold that even if the letters correlating to a telephone number spell a generic term, that telephone number may be subject to trademark protection, despite the fact that generic terms ordinarily are not protectible. However, as the 3rd Circuit court stated in *Honickman*:

*Underlying the genericness doctrine is the principle that some terms so directly signify the nature of the product that interests of competition demand that other producers be able to use them even if terms have or might become identified with a source and so acquire "de facto" secondary meaning. . . . Courts refuse to protect a generic term because competitors need it more to describe their goods than the claimed markholder needs it to distinguish its goods from others.* (808 F.2d at 304).

We see no reason to depart from this policy in the context of marks that correspond to telephone numbers. Therefore, we decline to adopt the position espoused by the Second Circuit that telephone numbers which correlate to generic terms may be protectible as trademarks. Thus, we cannot agree with the court in *Murrin v. Midco Communications, Inc.*, 726 F. Supp. 1195 (D. Minn. 1989), that the mnemonic "DIAL L-A-W-Y-E-R-S" is protectible. Generic terms are denied trademark protection because granting one firm their exclusive use would place competitors at a serious competitive disadvantage. 1 *Gilson* @ 2.02, at 2-23. If telephone numbers that correlate to generic terms were granted protection, the first firm in a given market to obtain such a telephone number would, merely by winning the race to the telephone company, gain an unfair advantage over its competitors. See Anthony L. Fletcher and David J. Kera, *The Forty-Third Year of Administration of the Lanham Trademark Act of 1946*, 80 *Trademark Rep.* 591 (1990).

Even though we decline to endorse the view of the courts in *Dial-A-Mattress* and *Murrin* that telephone numbers which correlate to generic terms may merit trademark protection *Dranoff-Perlstein* would be entitled to prevail if its mark were found to be arbitrary, suggestive, or descriptive and possessing secondary meaning. Therefore, we must determine whether the district court erred in holding that "INJURY-1" is either (1) "generic," or (2) "descriptive" and without secondary meaning. . . . A mark that is entirely generic, however, may never be protected as a trademark or service mark. 1 *McCarthy*, *supra*, @ 12:1, at 520.

"The question remains whether the term . . . is descriptive because it only describes characteristics or functions of the product [or service] or whether it is *so commonly descriptive of the name of the product [or service] that we should consider it generic.*" *Honickman*, 808 F.2d at 298. The test for genericness is whether consumers think the

term represents "the generic name of the product [or service] or a mark indicating merely one source of that product [or service]." 1 McCarthy, supra, @ 12:2, at 522 (citing Feathercombs, Inc. v. Solo Prods. Corp., 306 F.2d 251 (2d Cir. 1962)). See also Honickman, 808 F.2d at 292-93 ("The jurisprudence of genericness revolves around the primary significance test, which inquires whether the primary significance of a term in the minds of the consuming public is the product [or service] or the [source].").

**We hold as follows: If a producer introduces a product that differs from an established product class in a particular characteristic, and uses a common descriptive term of that characteristic as the name of the product, then the product should be considered its own genus. Whether the term that identifies the product is generic then depends on the competitors' need to use it. At the least, if no commonly used alternative effectively communicates the same functional information, the term that denotes the product is generic.**

In light of the relevant factors identified in Honickman, we hold that personal injury law is properly regarded as its own genus, and that the term "INJURY," as contained in "INJURY-1," is "so commonly descriptive of the name of the [service] that we should consider it generic." See Honickman, 808 F.2d at 298 (citation omitted). Dranoff-Perlstein's competitors may not be precluded from using the term "INJURY" in their advertising, or even as part of their telephone numbers. To do so would be to deny competitors the right to call the practice of personal injury law by its name. See Kellogg Co. v. Nat'l Biscuit Co., 305 U.S. 111, 119 (1938) ("Like every other member of the public, [defendant] was, and remained, free . . . to call [its] product by its generic name.").

That does not end our inquiry, however, because the mark for which protection is sought is not "INJURY" but "INJURY-1." According to Professor McCarthy, "the validity of a mark must be determined by looking at the mark as a whole." 1 McCarthy, supra, @ 11:10 at 458. However, "adding a suffix to a generic term, such as 'ize' to 'Nylon' to produce NYLONIZE for treating fabrics with a nylon process, will not change the generic nature of the word." *Id.*, @ 12:12(C) at 556 (citing Scholler Bros., Inc. v. Bick, Inc., 110 U.S.P.Q. 431 (1956)). Furthermore, as the United States Court of Appeals for the Federal Circuit has stated:

*That a particular feature is descriptive or generic with respect to the involved goods or services is one commonly accepted rationale for giving less weight to a portion of a mark. . . . Without question, the descriptive or generic character of an expression which forms part of both marks under consideration is pertinent to the likelihood of confusion. . . . Where a descriptive [or generic] term forms part of two or more marks for related products [or services] . . . the decisions recognize that the purchasing public has become conditioned to this frequent marketing situation and will not be diverted from selecting what is wanted unless the overall combinations have other commonality. In a sense, the public can be said to rely more on the*

*non-descriptive [or non-generic] portion of each mark.*

(In re Nat'l Data Corp., 753 F.2d 1056, 1058-59, 1060 (Fed. Cir. 1985). See also Keebler Co. v. Murray Bakery Prods., 866 F.2d 1386 (Fed. Cir. 1989) (court may properly give less weight to merely descriptive portion of composite marks in analyzing likelihood of confusion); 2 McCarthy, *supra*, @ 23:15(F) (supp. 1990 at 44) ("Descriptive or generic portion [of composite mark] is given less weight on the rationale that the public will look to other portions of the marks and will not be confused unless the other portions are similar." <sup>5</sup>

The Court also has similar holding(s) in Fisons Horticulture, Inc., v. Vigoro Industries, Inc., 30 F.3d 466 (3rd Cir. 1994), where they stated:

*"We have adopted a ten-factor test to determine likelihood of confusion in the market place as to a product's source in cases of alleged trademark infringement and unfair competition by a producer of a non-competing product. Dranoff-Perlstein, 967 F.2d at 862-63 (3d Cir. 1992); Ford Motor Co., 930 F.2d at 293; Lapp, 721 F.2d at 463; Scott Paper, 589 F.2d at 1229. They are:*

- (1) degree of similarity between the owner's mark and the alleged infringing mark;*
- (2) the strength of the owner's mark;*
- (3) the price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase;*
- (4) the length of time the defendant has used the mark without evidence of actual confusion arising;*
- (5) the intent of the defendant in adopting the mark; (6) the evidence of actual confusion;*
- (7) whether the goods, though not competing, are marketed through the same channels of trade and advertised through the same media;*
- (8) the extent to which the targets of the parties' sales efforts are the same;*

<sup>5</sup> Some of the cases involving alleged infringement of the mark "COCA-COLA" are useful by way of illustration. The word "COLA" has long been held to be generic and free for all to use. (Coca-Cola Co. v. Snow Crest Beverages, Inc., 162 F.2d 280, 283 (1st Cir.), cert. denied, 332 U.S. 809 (1947); Dixi-Cola Lab., Inc. v. Coca-Cola Co., 117 F.2d 352, 360 (4th Cir.), cert. denied, 314 U.S. 629 (1941). Also see: Coca-Cola Co. v. Old Dominion Beverage Corp., 271 F. 600 (4th Cir.), cert. denied, 256 U.S. 703, 1921); Cleo-Syrup Corp. v. Coca-Cola Co., 139 F.2d 416 (8th Cir. 1943), cert. denied, 321 U.S. 781 (1944); Coca-Cola Co. v. Clay, 324 F.2d 198 (C.C.P.A. 1963); Dixi-Cola Lab., Inc. v. Coca-Cola Co., 117 F.2d 352 (4th Cir.), cert. denied, 314 U.S. 629 (1941); Puerto Rico Distilling Co. v. Coca-Cola Co., 120 F.2d 370 (C.C.P.A. 1941); Coca-Cola Co. v. Snow Crest Beverages, Inc., 162 F.2d 280 (1st Cir.), cert. denied, 332 U.S. 809 (1947)).



*(9) the relationship of the goods in the minds of consumers because of the similarity of function; and*

*(10) other facts suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market, or that he is likely to expand into that market."*

### **CONCLUSION**

**We believe that the Commission should not venture to grant "vanity" status to any telephone mnemonic or number which would not meet the similar tests in Dranoff-Perlstein Associates vs. Sklar.**

**The Commission (FCC) should not make the mistake of administratively starting down the slippery slope of Express Mortgage Brokers, currently applicable only in the Eastern District of Michigan as to trademark law, by granting administrative "vanity" status to phone numbers which would not otherwise be trademarkable alone as an indicator of the actual specific source of an otherwise distinct product or service.**

**November 15, 1995**



**Richard C. Bartel  
P.O. Box 70805  
Chevy Chase, Md. 20813**

**and as President,  
Communications Venture Services, Inc.**

### **Certificate of Service**

I, Richard C. Bartel, hereby certify that a copy of this Reply was mailed to: Christopher McCann, VP, ~~555~~ Flowers, Inc., 1600 Stewart Ave., Weisburg, NY 11590 on this 15th day of November, 1995, and 9 copies to the Commission with the Original, hand delivered.



Richard C. Bartel